
MARCH

SELF-INSURANCE CLAIM FUND

2022

**INTERIM
FINANCIAL
REPORT**



Public Utility Board

CHRISTINE COOLEY
Chair

CARLOS M. WATSON
Vice-Chair

JOHN O'LOUGHLIN
Secretary

HOLLAND COHEN
Member

WILLIAM BRIDGES
Member

JACKIE FLOWERS
Director of Utilities

CHRIS ROBINSON
Power Superintendent/COO

ANDREW CHERULLO
Finance Director

DEPARTMENT OF PUBLIC UTILITIES

CITY OF TACOMA

This page has been left blank intentionally.

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES

SELF-INSURANCE CLAIM FUND

TABLE OF CONTENTS

Note: These financial statements are interim, unaudited reports prepared primarily for the use of management. Not all transactions reported in these statements have been recorded on the full accrual basis of accounting or in accordance with generally accepted accounting principles.

Management Discussion and Analysis.....	1
Statements of Net Position (Unaudited).....	3
Statements of Revenues, Expenses and Changes in Net Position (Unaudited).....	5
Statements of Cash Flows (Unaudited).....	6
Equity Distribution (Unaudited)	8
Claims Statistics Summary (Unaudited).....	9
Claims Statistics Detail (Unaudited)	10

This page has been left blank intentionally.

Management Discussion and Analysis

As of March 2022, the Self-Insurance fund is reporting an increase to net position of \$218,000 year-to-date compared to an increase of \$76,000 recorded for the same time period in 2021. Total revenues increased \$141,000 and total expenses decreased \$2,000 year-to-date.

Revenues

Self-Insurance fund revenues are contributions from the Power, Water, and Rail divisions and the interest earned. Total revenues at the end of the first quarter of 2022 and 2021 were \$390,000 and \$249,000, respectively. The increase in revenue is due to the increase in interest income in 2022.

Expenses

Self-Insurance fund expenses include claims and handling expenses paid during the quarter, adjustments to accrued claims and administrative expenses. Support services claims and handling expenses are allocated to Power and Water only and based on each fund's percentage of combined claims and handling expenses for the year-to-date. Administrative expenses are allocated to Power, Water, and Rail funds based on each fund's percentage of total claims incurred.

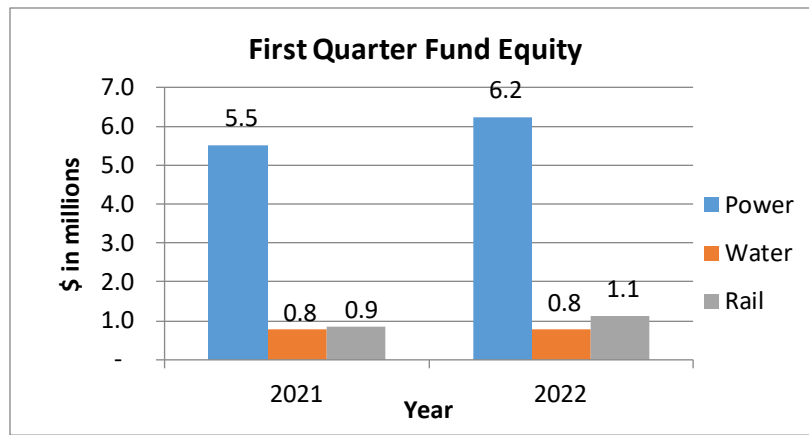
Total expenses at the end of the first quarter of 2022 and 2021 were \$172,000 and \$174,000, respectively. The change in expenses from year-to-year is primarily due to adjustments in expected future claims and developments accrued by the Fund. Negative claims expense is generally the result of adjustments to the liability where expected claims were accrued in one quarter and subsequently denied or revised in the next quarter.

Claims expense were \$152,000 in the first quarter of 2022, an increase of \$12,000 compared to the same quarter of 2021. The increase is primarily due to the increase in Power and Water claims.

Litigation Expense and Settlements in the first quarter of 2022 decreased by \$3,000 compared to the same quarter in 2021, primarily due to the decrease in handling expenses for the Service Division.

Incidental and Administrative Expense decreased by \$11,000 in the first quarter of 2022 compared to the same quarter in 2021, primarily due to the early payment of \$10,000 for annual property and casualty insurance.

The Fund's equity was \$8.1 million and \$7.2 million through March of 2022 and 2021, respectively. The graph on the following page provides a visual presentation on how the Fund's equity is shared.



Request for Information

Self-Insurance financial statements are designed to provide a general overview of the Division’s finances, as well as to demonstrate the Division’s accountability to its customers, investors, creditors, and other interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to City of Tacoma, Finance Department, 747 Market Street, Room 132, Tacoma, WA 98402-2773.

City of Tacoma, Washington
 Department of Public Utilities
 Self-Insurance Claim Fund

Statements of Net Position (Unaudited)
 March 31, 2022 and March 31, 2021

	2022	2021
ASSETS		
CURRENT		
Cash and Equity in Pooled Investments	\$11,053,349	\$10,229,686
TOTAL ASSETS	\$11,053,349	\$10,229,686
 NET POSITION AND LIABILITIES 		
NET POSITION		
Restricted:		
Interfund Contributions	\$8,112,709	\$7,150,198
TOTAL NET POSITION	8,112,709	7,150,198
CURRENT LIABILITIES		
Accounts Payable Claims	2,878,228	3,077,604
Accounts Payable Claims Handling	62,412	1,884
TOTAL LIABILITIES	2,940,640	3,079,488
TOTAL NET POSITION AND LIABILITIES	\$11,053,349	\$10,229,686

These statements should be read with the Notes to the Financial Statements contained in the previous year-end Financial Report.

This page has been left blank intentionally.

City of Tacoma, Washington
 Department of Public Utilities
 Self-Insurance Claim Fund

Statements of Revenues, Expenses and Changes in Net Position (Unaudited)
 March 31, 2022 and March 31, 2021

			YEAR-TO-DATE		2022/2021 VARIANCE	PERCENT CHANGE
	March 2022	March 2021	March 2022	March 2021		
INCOME						
Premiums	\$126,480	\$126,480	\$379,439	\$379,439	\$0	0.0%
Interest	7,631	8,283	10,564	(130,026)	140,590	108.1%
TOTAL INCOME	134,111	134,763	390,003	249,413	140,590	56.4%
EXPENSES						
Claims	105,879	128,198	152,164	140,059	12,105	8.6%
Litigation Expense and Settlements	197	4,125	2,670	5,784	(3,114)	-53.8%
Incidental and Administrative Expense	6,237	6,796	16,959	27,751	(10,792)	-38.9%
TOTAL EXPENSES	112,313	139,119	171,793	173,594	(1,801)	-1.0%
CHANGE IN NET POSITION	\$21,798	(\$4,356)	218,210	75,819	142,391	187.8%
TOTAL NET POSITION - JANUARY 1			7,894,499	7,074,379	820,120	
TOTAL NET POSITION - MARCH 31			\$8,112,709	\$7,150,198	\$962,511	

These statements should be read with the Notes to the Financial Statements contained in the previous year-end Financial Report.

City of Tacoma, Washington
 Department of Public Utilities
 Self-Insurance Claim Fund

Statements of Cash Flows (Unaudited)
 March 31, 2022 and March 31, 2021

	YEAR TO DATE	
	March 31, 2022	March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Premiums Received	\$379,439	\$379,439
Claims Paid	(342,208)	(157,258)
Administrative and Other Expenses	40,899	(35,845)
Net Cash Flows from Operating Activities	78,130	186,336
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	10,564	(130,026)
Net Cash Flows from Investing Activities	10,564	(130,026)
Net Change in Cash and Equity Cash and Equity in Pooled Investments	88,694	56,309
Cash and Equity in Pooled Investments at January 1	10,964,655	10,173,376
Cash and Equity in Pooled Investments at March 31	\$11,053,349	\$10,229,686

	YEAR TO DATE	
	March 31, 2022	March 31, 2021
Reconciliation of Net Income to Net Cash Flows from Operating Activities:		
Net Income	\$218,210	\$75,819
Adjustments to Reconcile Net Income (Loss) to Net Cash Flows from Operating Activities:		
Interest Income (Expenses)	(10,564)	130,026
Cash from Changes in Operating Assets and Liabilities:		
Accounts Payable Claims	(190,044)	(17,200)
Accounts Payable Claims Handling	<u>60,528</u>	<u>(2,309)</u>
Total Adjustments	<u>(140,080)</u>	<u>110,517</u>
Net Cash Flows from Operating Activities	<u><u>\$78,130</u></u>	<u><u>\$186,336</u></u>

City of Tacoma, Washington
 Department of Public Utilities
 Self-Insurance Claim Fund

Equity Distribution (Unaudited) as of March 31, 2022

	TACOMA POWER	TACOMA WATER	TACOMA RAIL	TOTAL
Balance January 1, 2022	\$5,997,327	\$841,229	\$1,055,943	\$7,894,499
Contributions (Premiums)	259,439	60,000	60,000	379,439
Claims (1)	(66,952)	(257,650)	(4,520)	(329,122)
Claims Handling Expense	(692)	-	(1,978)	(2,670)
Administrative Expenses (2)	33,340	126,991	(332)	159,999
Interest Income (3)	6,921	1,228	2,415	10,564
Balance March 31, 2022	<u>\$6,229,384</u>	<u>\$771,798</u>	<u>\$1,111,527</u>	<u>\$8,112,709</u>

(1) Service divisions' claims of \$176,958 have been added to this area.

(2) Service divisions' claims handling of \$176,958 have been deducted from Administrative Expenses. These costs have been allocated to Power and Water divisions based on the ratio of claims activity to date. Service division does not provide support to Rail.

(3) Effective 2017, interest income has been allocated to each division based on the allocated cash balance as of the date of this statement.

City of Tacoma, Washington
 Department of Public Utilities
 Self-Insurance Claim Fund

Claims Statistics Summary (Unaudited)
 March 31, 2022

NUMBER OF CLAIMS PAID (JANUARY 1 - MARCH 31, 2022)

	Tacoma Power	Tacoma Water	Tacoma Rail	Service Division	Total
Over \$5,000	3	1	-	2	6
\$1,001 - 5,000	4	5	1	2	12
\$501 - 1,000	2	5	-	-	7
\$100 - 500	-	6	-	1	7
Less than \$100	1	-	-	-	1
	<u>10</u>	<u>17</u>	<u>1</u>	<u>5</u>	<u>33</u>
Total Dollar Amount of Claims Paid	\$85,202	\$68,600	\$4,520	\$183,886	\$342,208

NUMBER OF CLAIMS ACCRUED AT MARCH 31, 2022

Over \$50,000	2	2	2	-	6
\$10,000 - 50,000	5	6	4	-	15
Less than \$10,000	170	85	6	-	261
	<u>177</u>	<u>93</u>	<u>12</u>	<u>-</u>	<u>282</u>
Total Dollar Amount Accrued for Known Claims	\$785,560	\$446,010	\$1,207,473	-	\$2,439,043
Total Dollar Amount Accrued for Unknown Claims	<u>\$184,178</u>	<u>\$58,471</u>	<u>\$192,609</u>	<u>\$3,927</u>	<u>\$439,185</u>
Total Dollar Amount Accrued for All Claims	<u>\$969,738</u>	<u>\$504,481</u>	<u>\$1,400,082</u>	<u>\$3,927</u>	<u>\$2,878,228</u>

City of Tacoma, Washington
 Department of Public Utilities
 Self-Insurance Claim Fund

Claims Statistics Detail (Unaudited)
 March 31, 2022

NUMBER OF CLAIMS PAID (JANUARY 1 - MARCH 31, 2022)

Range	Non-Vehicular Bodily Injury/Property Damage			
	Tacoma Power	Tacoma Water	Tacoma Rail	Service Division
Over \$5,000	3	1	-	-
\$1,001 - 5,000	4	5	-	1
\$501 - 1,000	2	5	-	-
\$100 - 500	-	6	-	-
Less than \$100	-	-	-	-
	<u>9</u>	<u>17</u>	<u>-</u>	<u>1</u>
Total Dollar Amount of Claims Paid	\$88,978	\$68,600	-	\$1,100
Average Dollar Amount of Claims Paid	\$9,886	\$4,035	-	\$1,100

NUMBER OF CLAIMS ACCRUED AT MARCH 31, 2022

Range	Non-Vehicular Bodily Injury/Property Damage			
	Tacoma Power	Tacoma Water	Tacoma Rail	Service Division
Over \$50,000	2	2	2	-
\$10,000 - 50,000	2	6	4	-
Less than \$10,000	143	80	4	-
	<u>147</u>	<u>88</u>	<u>10</u>	<u>-</u>
Total Dollar Amount Accrued for Known Claims	\$658,660	\$439,010	\$1,205,973	-
Total Dollar Amount Accrued for Unknown Claims	<u>\$184,178</u>	<u>\$58,471</u>	<u>\$192,609</u>	<u>\$3,927</u>
Total Dollar Amount Accrued for All Claims	<u>\$842,838</u>	<u>\$497,481</u>	<u>\$1,398,582</u>	<u>\$3,927</u>

Vehicular Bodily Injury/Property Damage				Hazardous Waste		Contract/Harassment			
Tacoma Power	Tacoma Water	Tacoma Rail	Service Division	Tacoma Power	Tacoma Water	Tacoma Power	Tacoma Water	Tacoma Rail	Service Division
-	-	-	2	-	-	-	-	-	-
-	-	1	1	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	1	-	-	-	-	-	-
1	-	-	-	-	-	-	-	-	-
1	-	1	4	-	-	-	-	-	-
(\$3,776)	-	\$4,520	\$182,786	-	-	-	-	-	-
(\$3,776)	-	\$4,520	\$45,697	-	-	-	-	-	-

Vehicular Bodily Injury/Property Damage				Hazardous Waste		Contract/Harassment			
-	-	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	-
27	5	2	-	-	-	-	-	-	-
30	5	2	-	-	-	-	-	-	-
\$126,900	\$7,000	\$1,500	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
\$126,900	\$7,000	\$1,500	-	-	-	-	-	-	-



The City of Tacoma does not discriminate on the basis of disability in any of its programs, activities, or services. To request this information in an alternative format or to request a reasonable accommodation, please contact the City Clerk's Office at (253) 591-5505. TTY or speech to speech users please dial 711 to connect to Washington Relay Services.